“IMPACT OF AGRICULTURAL SUBSIDIES ON PRODUCTION: A CASE STUDY OF BAGALKOT DISTRICT IN KARNATAKA STATE”

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I. Introduction:

The agricultural sector is a significant sector of India. All through the seventy years of the planning process, it has remained the backbone of the economy. In the opinion of Gandhiji: "India lives in villages and agriculture is the soul of the Indian economy". More than 60 percent of the population of the country depends on the agricultural sector. India has a huge agricultural area with good production but the growth agricultural sector is only 4 percent and the contribution to GDP is only 15 percent. Development of the agricultural sector government provides financial support to farmers in direct and indirect forms. This financial support is called a subsidy.

There are many reasons for the low agricultural productivity. About one/ third of land holdings are very small less than one hectare in size. Due to the small size of the land holding, we cannot use modern technologies for cultivation. Even today, farmers are using very old methods, tools, and implements for farming because of their low purchasing power.

The central government will benefit from this scheme for the financially weak farmers. The government will proved an 80 percent subsidy for agricultural machinery banks with a maximum limit of Rs 10 lakhs. The government of India is providing different kinds of subsidies for promoting equity and growth in some sectors and areas in the country. The total quantum of subsidies in India rose from Rs 71,430 crore in 2008-2009 subsidy to the Food Corporation of India (FCI) under the National Food Security Act (NFSA) in FY 2021-22 to Rs 2,10,929 crore. Out of this amount, agricultural subsidies are provided as an incentive to promote overall agricultural development. No doubt, it helps in achieving short-term increases in food production and even in attaining self-sufficiency.

II. Review of Related Literature:

1. **Tirumalaliahk, Sonywr, Kumar V Satish (2015)** as discussed in their work on ''Brand preference and influence of education towards agro mechanized equipment'' India is the second largest agriculture production sector. The technology/mechanization of the farm is determined by a set of interrelated factors in this study such as the size of the farm, Pradhan Mantri Kisan credit card, Pradhan Mantri Kisan Samman Nidhi. Income support scheme for all farmers. Pradhan Mantri Krishi Sinchai Yojana. Scheme to ensure access to defensive irrigation to all agricultural farms in the country. Government extension support services, support price, warehouse transporter, crop insurance scheme, market prices, fisheries, horticulture and lanes, and credits, etc. The central government has launched more the 125 schemes for farmers in agro mechanization. Farm Power is necessary to input in agriculture

production for timely field operations for operating different types of equipment subsidies like irrigation equipment, seeders, and other post-harvest equipment.

2. **Liliana, Cipoies (2020)** as discussed in their work "The Economic Impact of farm subsidies in Moldova's Agricultural sector development''. Governmental support is necessary to achieve and maintain the farm's economic performance, which in the long run is the key to its sustainable development. The agricultural subsidizing policy is an important mechanism from beginning to end that the government can support in this sector. This paper aims to analyze the allotment and structure of governmental subsidy funds in Moldova during 2010-2018 and whether it is possible for the development of the agricultural sector. The agricultural subsidizing policy is A very important mechanism from start to end in which the government can support this sector. Agricultural activity was forever related to risk uncertainty. This is the main cause of exposure to natural factors, various problems', farmers' incomes uncertain, price unsuitability, and fluctuations in production rates. That's ways very important tools to support the farmer's activities are subsidies and farmers' increased profit from their production.
3. **Sanjeev Kumar (2020)**works on the "Impact of Subsidies on the Agriculture Sector in India". In this paper, Agriculture is a very impotent role in the Indian Economy. About 55% of the rural area peoples depend on the agriculture sector. In this through people earning income. Agriculture sector's income is about 18% of the country's GDP (since 2019-2020). The Indian government realized many programs because the government played a vital role in the development of the agricultural sector. The new technologies and machinery to increase agricultural food production in the country, but it is not possible because modern technology is very expensive and Indian farmers are very poor, they cannot buy these expensive inputs. That's why the government provided auricular subsidies and they used to sport smallholder farmers' use of inputs, to increase production, reduce food prices and develop economic growth. For several years 'the government has been providing input subsidies to the agriculture sector. The governmentis supporting farmers direct and indirect to encourage agricultural food production.

III. Need for the Study:

The central government's main purpose is to provide financial help to all the farmers to purchase farming equipment with this every farmer will be able to use the latest

technologies and will get better crop quality with this scheme farmers' needs will be fulfilled with the aim of 'Reaching the Unreached Central &State government will give 50 percent subsidy on all the agricultural equipment also they will be given good quality seeds, pesticides and enough water for the irrigation of crops and tractors are the king among different farm equipment they are the main workhorse of any modern farm they distribute the power and traction necessary to mechanize agricultural tasks.

IV. Statement of the Problem:

Indian economy is primarily agricultural because more than 60% of the population is depending on agriculture for its livelihood. The situation in this scheme is not proved to all farmers because a large proportion of land is held by small and marginal farmers who by their economic condition are unable on their own, this can be addressed if the state/ central government increases their share of assistance to the farmers' steps must be taken to ensure that the financial organizations simplify their procedure for assisting farmers in need of a loan for the purchase of agricultural equipment. Hence, the present study is entitled "Impact of Agricultural Subsidy on Production: A Study of Bagalkot District in Karnataka State".

V. Objectives of the Study

The following are the important objectives of the present research study.

1. To understand the need and impotence of government intervention of the development of agriculture in India and Karnataka.
2. To examine the socio-economic condition of farmers.
3. To identify the agricultural equipment subsidies in the study area.
4. To examine the impact of agricultural equipment subsidies on farmers.
5. To evaluate the agricultural equipment subsidies scheme in the study area.
6. To provide policy suggestions for the effective implementation of the agricultural equipment subsidy scheme.

VI. Hypotheses

For the present research, the following hypotheses are developed.

H_0: There is no significant contribution of agricultural equipment subsidy to increase agricultural production.

H_1: There is a significant contribution of agricultural equipment subsidy to increase agricultural production.

VII. Research Methodology:

1. Selection of the area:

Bagalkot District is identified for the present study, 9 taluks were selected i.e.Badami, Bagalkot, Bilagi, Guledagudda, Hungund, Ilkal, Jamakhandi, Mudhol, and Rabakavi-Banahatti, to be identified for the area which are using agricultural equipment subsidies to gather primary data.

2. Data collection:

The present study is mainly based on both primary and secondary sources. A suitable interview schedule will be adopted. Primary data will be collected through the Interview method. Secondary data will be collected from Published Reports, Journals, Census Reports, etc.

3. Sample Size:

The study will be carried out by using simple random sampling. Randomly 200 samples have been selected for the present study and the information collected by the beneficiaries of each taluk in Bagalkot District.

4. Analysis of date:

Data will be collected through suitable questionnaires tabulated and analyzed by using the most common statistical tools like percentages, ratios, and suitable tests to draw a meaningful conclusion of the study.

VIII. Chapter Scheme:

Chapter-1: Introduction.
Chapter-2: Review of Literature.
Chapter-3:An Overview of Agriculture Development in India and Karnataka.
Chapter-4: Profile of the study area.
Chapter-5: Data Analysis and Interpretation.
Chapter-6: Summary of findings, suggestions, and conclusion.

IX. Limitations of the Study:

The following are the limitations of this study:

1) The present study covers only the equipment subsidy scheme.
2) This study is confined to Bagalkot District.
3) The present work is limited to a study of agricultural equipment subsides.

X. Conclusion:

In conclusion, the government wants the prevention of scams and corruption in agricultural departments. Government should use corporate governance in the agricultural department for more transparency and protects farmers' rights. The government should make one common agency for the distribution of subsidies. Due to common agencies for distribution, it is easy for the government to maintain accounts and audit of subsidy.

The government is putting 100% effort to ease farmer's life. Ranging from Raw Material Procurement to Complex Marketing and Infrastructure, the Centre is trying to provide subsidies for all machines. This Agri Machinery is very easy to avail and it would be very helpful in improving the Indian Economy.

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